

REPORT

CD NO.

DATE OF INFORMATION 1950

DATE DIST. 27 Jun 1950

NO. OF PAGES 2

SUPPLEMENT TO
REPORT NO.

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SOURCE Newspapers as indicated.

DEPOSITS INCREASE DUE TO PRICE STABILIZATION;
COMMUNISTS PROFIT FROM GOLD BULLION SOLD IN HONG KONG

BANK DEPOSITS INCREASE IN CHINA -- Canton Nan-fang Jih-pao, 22 May 50

Peiping, 18 May (Hsin-hua) -- The Peiping Jen-min Jih-pao reported on 17 May 1950 that deposits in banks throughout China have displayed a notable increase during the past few months. This resulted from the fact that the people's confidence in the currency was restored through price stabilization.

The paper further reported that bank deposits throughout China at the end of April 1950 were twice those of February 1950, while daily deposits in banks in the 16 major cities of China increased by almost 300 percent for the same period. It reported that private deposits increased noticeably as well. For example, deposits made by private individuals at the Chekiang branch of the People's Bank amounted to about 23 percent of total deposits at the end of February. By the end of March, however, the amount of private deposits had increased to about 29.4 percent of the total. Similarly, in Liaotung private deposits increased twofold from February to the end of March.

SHIPS GOLD BULLION TO HONG KONG -- Hong Kong Hsing-tao Jih-pao, 27 May 50

Hong Kong, 27 May -- According to a traveler who returned to this city last night from North China, the Shanghai Central Mint worked day and night for the last 2 weeks to manufacture 99-percent-fine, 5-ounce gold bullion presumably to be sent to Hong Kong to obtain a profit of 50 Hong Kong dollars per ounce.

The same informant said that these are similar in size to the 94.5-percent-fine bullion being handled regularly among gold dealers in Hong Kong, and that in private Chinese exchange the gold is worth only 25 US dollars per ounce, while in Hong Kong it brings 35 US dollars per ounce. He added that many private individuals in China are smuggling large amounts of gold into Hong Kong to bolster their pocketbooks.

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NINGPO PEOPLE'S BANK CUTS REMITTANCE RATES -- Ningpo Jen-pao, 14 Apr 50

Effective today, the Ningpo Branch of the People's Bank of China is broadening its system of preferential treatment and lowering its schedule of rates on remittances, to expand exchange activities. New features are as follows:

1. The preferential handling of remittances will be broader in scope.
2. In the case of small remittances amounting to 300,000 yuan or less, no remittance charge will be made.
3. Service charges will no longer be applied to remittance funds distributed by welfare and relief agencies.

In the new system, charges will diminish proportionately as the amount of the remittance increases:

1. Remittances amounting to 10 million yuan or more may now be accorded preferential treatment (the minimum amount was originally 50 million yuan).
2. The preferential discount applied generally to remittances of 50 million yuan or more will be reduced 5 percent.

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